

**FREIGHT MOBILITY STRATEGIC INVESTMENT BOARD**  
**MEETING MINUTES**

**October 8, 2004**  
**Walla Walla, Washington**

Board members present were Chairman Dan O'Neal, Mr. Andrew Johnsen, Mr. Jim Toomey, Mr. Ross Kelley, Ms. Pati Otley, Mr. Mark Asmundson, Mr. Cliff Benson and Ms. Rebecca Francik.

**WELCOME AND INTRODUCTIONS:** Chairman Dan O'Neal welcomed all to the meeting and especially our new member, Rebecca Francik, who is on the Pasco City Council.

**MINUTES:** Mr. Asmundson *moved*, and Ms. Pati Otley *seconded the motion to approve the July 23, 2004 meeting minutes.*

***MOTION CARRIED***

**FMSIB BUDGET:** Director Schmidt reviewed the operating budget, project balances and the special UP account. Discussion followed.

**DIRECTOR'S REPORT:** The Director reported that the Board request legislation had been submitted to OFM. Face-to-face meetings with project sponsors have taken place and a 2005-07-project list is being developed for Board consideration. The TEA-21 steering committee is considering how to allocate discretionary funds in the next TEA-21 authorization – FMSIB is requesting 22%. The FAST program has lost some of its focus but partners hope to put it back onto the right track. The SAFTA work going on at Washington State University is continuing to produce useful information for freight planning. The Benchmark project is nearly complete and a federal review team is analyzing the usefulness of the approach for national application. The Legislative Committee has had a couple of meetings and should be ready to make recommendations at the November meeting as well as the Project Selection Committee.

**BOARD MEMBER REPORTS:**

Mr. Cliff Benson: Reviewed discussions at the Puget Sound Regional Council including the input from Senator Jim Horn and Representative Ed Murray and their concerns about the Regional Transportation Improvement District (RTID) and the replacement of the viaduct. He also updated the board on the status of the Benchmark project. The data is useful but either limited to I-5 or I-90 or very expensive to analyze. Once the report is completed, the board will need to look at and determine whether the data is sufficient in value to justify the operation and cost of maintaining this system. Additionally, the Science Application International Corporation, are researching the data for Federal Highway Administration. They are attempting to answer three questions: First, determine the degree to which state government officials and planners find data provided from GPS and AVI systems sufficient to provide input into review planning and funding activities for freight transportation needs. Second, study the impact of GPS and CVISN type systems on freight companies and truck dispatchers. Third, is to test the system for its function as an accurate warning system to notify enforcement of potential concerns regarding shipments of hazardous materials on targeted roads.

Mr. Andrew Johnsen briefed the Board on the current status of Tea-21 and the efforts to determine how Washington will divide the discretionary portion of the reauthorized allocation. Another meeting is planned for late October.

Mr. Jim Toomey reported on the recent call for projects and work of the project selection committee. The committee will be meeting with project sponsors and expect to have recommendations for the Board to consider at the November meeting.

Mr. Mike Moore from the Pacific Merchant Shipping Association and Puget Sound Steamship Operators informed the board of recent maritime decisions, including the merging of the two organizations he represents, and the implications on Washington freight movement. Hundai and K-line will cease intermodal operations at Portland and additional freight is expected to move to the Port of Tacoma. K-line alone estimated that that they would have about 1000 container moves a week, which would be another additional eastbound train, and three westbound trains per week just from the K-line shift of cargo, in addition to any truck movements to and from Portland. Discretionary cargo is becoming more discretionary and as they change their business drivers, they are going to continue to seek out cargo movement pathways that provide the best cost and certainty of service and backup. (certainty of service means, "safety, security and lack of theft". They're looking for multiple pathways.

As an example, Mr. Moore reported that on the day before, there were 70 ships in the Port of LA/Long Beach with 24 at anchor. The average queing time to get to a dock now is 6-7 days (previously it was 3-4 days). Once at the dock, Pacific Maritime Association reported that 14-15 ships were idle at the berth due to a lack of labor personnel. Thirty-seven ships announced diversions due to the back up and others simply chose not to off-load in LA/Long Beach. The diverted ships went to other ports including Mexican ports.

Mr. Cliff Benson explained the economics of having ships sit idle by comparing the ships he used to operate that carried 3,000 containers and cost \$10,000 per day. The larger ships would be \$36,000 - \$37,000 per day.

A business decision by Wal-Mart to move their 400,000 units (TEUs) of Christmas goods during September/October rather than spreading it out over 4 months will add to the already high volumes being experienced this fall.

Mr. Toomey explained that one of the Port of Pasco's clients indicated that the decision not to pickup containers in Portland would add \$17 per ton onto each of their 100 or so containers per week or \$476 per container. This is a significant cost when you are shipping products like hay and popcorn and could be critical to the products viability in overseas markets.

As for the Port of Pasco, prior to the announcement of the two shipping lines leaving Portland, the port handled about 20 containers a week and now it is handling 180 containers a week. This demonstrates how fast freight movement can change and how adaptable ports and carriers must be.

Mr. Moore explained that efforts to increase port capacity in LA/Long Beach have been hampered by environmental challenges dealing with air emissions and light pollution, noise pollution, diesel pollution, cancer rays, asthma etc. effectively eliminating any new terminals or expansion of existing terminals. Legislation dealing with chassis roadability issues, overweight issues, liability, indemnification and anti-idling issues were also enacted in California.

The ports have also implemented a congestion-pricing scheme of \$20 per TEU for daytime container through put. Rebates are offered if containers are moved at night, on weekends or through the Alameda Corridor. Whether the plan relieves congestion will be determined in the next few months. La/Long Beach handles about 12 million TEU's per year.

Additionally, China has increased the number of TEU movements in the last 12 months from 40 million to 48 million TEUs. The question is where are they going to go if not LA/Long Beach. Shipping companies currently have 502 vessels being built worldwide with 180 of them container vessels to handle the growth that is coming. The ships will carry from 4000 containers to 9000 containers each.

Chairman O'Neal recognized Senator Mike Hewitt and thanked him for the support he has given to freight issues over the years. Mr. Toomey also thanked the Senator for his efforts in supporting freight issues that benefit the region.

Senator Mike Hewitt thanked the Board for their efforts and emphasized the importance of freight movement for Eastern Washington and especially for the Ainsworth project. He also indicted his support for the Myra Rd. project.

Port of Walla Walla Executive Director Jim Kuntz introduced Mayor Ammon of College Place, County Commissioner Greg Thompkins and Port Commissioner, Fred Bennett. All spoke in favor of the Myra Road project. Mr. Kuntz explained that five of the eight phases that will four-lane Highway 12 were funded and Myra Rd was needed to connect with one of those phases. The local economy is growing with a quarter of the jobs in manufacturing, government, services and agriculture. The wine industry is a major driver. The port has submitted an application to FMSIB to avoid having stoplights on Highway 12 where Tyson Foods has 78,000 truck trips per year and Boise Cascade operates an additional 24,000 through the corridor. The largest apple orchard in North America is nearby and operates an additional 6,000 truck trips per year.

Mr. Phil Merrill, Walla Walla County engineer, introduced Hal Thomas, Public Works Dir. City of Walla Walla; Nicole Metzger, City Engineer, City of College Place. The panel discussed the phasing of the Myra Rd project and how it will divert truck traffic from downtown Walla Walla and provide a direct connection between SR 125 and US 12. Their only other priorities are all weather freight roads. The lead project sponsor is changing from the port of Walla Walla to the County. The prison is expected to also increase local freight traffic now that Correctional Industries has located their production there.

Joe Porie Executive Director, Port of Whitman and Commissioner John Love discussed the State's purchase of the 265 miles of the Palouse Cooley City Railroad. The former owner Watco will operate the shortline.

Mr. Jay Weber, Executive Director CRAB discussed truck volumes on county roads. His count of trucks on the drive to the meeting totaled 240 on the state highway and 243 on county arterials demonstrating the need for both in moving freight. Washington has 41,000 center-lane miles of county roads and 3,000 bridges. CRAB receives \$35 million a biennium. Currently, of the identified construction need, if that were to double today, it will fund less than a third of the identified construction need to deal with truck capacity and safety issues, just those two issues.

The county arterial preservation program, deals with preservation of arterials whether they are rural or urban and is funded at less than a third of the counties identified maintenance need.

Maintenance at the county level is between \$450 - \$550 million annually. The lack of funding is the threat against which the arterial and collector system (the regional link) depends. We spend less of our growth domestic product on transportation infrastructure financing than we did in 1956. Counties are already FMSIB's chief partner in freight movement in the State of Washington. We support a guaranteed funding mechanism for the FMISB.

Mr. Jerry Lenzi, WSDOT discussed the importance of the work being done at WSU on the Strategic Freight Transportation Analysis (SFTA). He suggested that the county public works directors and the county engineers should determine what the most important three county roads are in their county and start building a priority list from there. Mr. Lenzi stated that a lot of product moves out of the fields on county roads before it ever gets to a state highway and if those roads are inhibited, or are weight restricted it costs the producer a lot more to move that product. We should work in a cooperative vein to focus attention on these problems.

The percentage of traffic on I-90, I-97 and I-395 are going through the roof. Freight on US-12 has more than doubled in ten years in terms of product value moving on the corridor. Basic quality of life and economic vitality depends on how you move supplies. Mr. Ross Kelley compared the 80,000 tons a day and 2000 trucks a day of traffic on Bigelow Gulch in Spokane to the volumes on US-12 demonstrating the heavy volume of freight off the state highway system.

Mr. Charlie Howard, WSDOT briefed the board on the status of the Washington Transportation Plan (WTP). The basic messages are we are still growing, funding for transportation has not kept up and we have an aging system. They will be putting a 10-year investment program together including state, city and county including freight. A backlog of \$31 billion in congestion relief projects has been identified but that level of funding is unlikely so strategic system bottlenecks and chokepoints are the focus. As far as moving freight, some of the directions are coming out of the freight forum that FMSIB sponsored for WSDOT.

**FUTURE MEETING:** Mr. Benson moved and Ms. Otley seconded the motion that the next FMSIB meeting would be changed from November 19 to November 18, 2004 in Kelso, Washington.

***MOTION CARRIED***

Mr. Amundson moved and Ms. Otley seconded the motion that the following 2005 proposed meeting schedule be approved:

January 21, 2005 in Olympia; March 18, 2005 in Olympia; May 13, 2005 in Ellensburg; July 14 & 15, 2005 at Semiahmoo in Blaine; September 16, 2005 in Spokane; and November 18, 2005 in the Tri Cities.

***MOTION CARRIED***

**MEETING ADJOURNED 3:50 PM.**



**DANIEL O'NEAL,  
CHAIRMAN**

**ATTEST:**



**KAREN SCHMIDT,  
EXECUTIVE DIRECTOR**